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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11 Case No.**
STEVE & BARRY'S MANHATTAN LLC, et al.,	:	**08-12579 (ALG)**
Debtors.	:	**(Jointly Administered)**

STIPULATION, AGREEMENT AND ORDER BETWEEN THE DEBTORS AND ROUSE-RANDHURST SHOPPING CENTER, LLC REJECTING LEASE AGREEMENT AND ABANDONING PROPERTY PURSUANT TO SECTIONS 365 AND 554 OF THE BANKRUPTCY CODE

RECITALS:

A. On July 9, 2008 (the "Commencement Date"), Steve & Barry's Manhattan LLC and its debtor affiliates, as debtors and debtors in possession (collectively, "Steve & Barry's" or the "Debtors"), each commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

B. By order dated July, 10, 2008, the Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered.

C. The Debtors and Rouse-Randhurst Shopping Center, LLC (the "Landlord," and together with Steve & Barry's, the "Parties") are parties to that certain lease agreement (as may have been amended from time to time, the "Lease"), dated July 6, 2004, pursuant to which the Debtors leased the premises located at space number 2205, Randhurst Shopping Center, 999 N. Elmhurst Road, Mt. Prospect, Illinois 60056 (the "Premises"). The Debtors and the Landlord are also parties to that certain Lease Termination Agreement dated December 21, 2007 (the "Lease Termination Agreement").

D. Subject to the provisions of the Bankruptcy Code, pursuant to the Lease Termination Agreement the Landlord is entitled to terminate the Lease and recapture the Premises for its own general use. The Parties have engaged in negotiations to enable the Debtors to have continued use of the Premises for a limited time, enable the Landlord to reenter the Premises on a date certain, and avoid any litigation over the Lease and the Lease Termination Agreement.

E. After good-faith, arms'-length negotiations, the Debtors and the Landlord have reached an agreement, to, among other things, reject the Lease pursuant to section 365 of the Bankruptcy Code, abandon all remaining items located on the Premises (the "Remaining Property") pursuant to section 554 of the Bankruptcy Code, and resolve any and all claims between the Parties arising out of the Lease.

NOW, THEREFORE, in consideration of the foregoing, the Parties hereby agree as follows:

1. On the date this Stipulation, Agreement and Order is approved and "So-Ordered" by the Court and becomes final and non-appealable (the "Effective Date"), the Lease shall be

deemed rejected pursuant to section 365 of the Bankruptcy Code effective as of September 15, 2008.

2. The Remaining Property shall be deemed abandoned pursuant to section 554 of the Bankruptcy Code effective as of September 15, 2008. The Landlord is granted relief from the automatic stay pursuant to section 362 of the Bankruptcy Code solely to re-enter and take possession of the Premises and dispose of the Remaining Property after September 15, 2008. Further, the Landlord shall be permitted to seal off the premises entrance that opens into the mall from the mall side as of September 2, 2008, so that the Landlord may commence certain construction activities in the mall area.

3. The Landlord hereby agrees that it has no claims against any or all of the Debtors arising from the Lease Termination Agreement, the abandonment of the Remaining Property, or the rejection of the Lease as provided for herein. The Landlord hereby is barred from asserting any and all claims (as such term is defined in section 101(5) of the Bankruptcy Code) against the Debtors, or their properties or interests in property.

4. This Stipulation, Agreement and Order contains the entire agreement between the Parties as to the subject matter hereof and supersedes all prior agreements and undertakings between the Parties relating thereto. This Stipulation, Agreement and Order is subject to approval of the Court and shall be of no force and effect unless and until it is approved.

5. This Stipulation, Agreement and Order may not be modified other than by a signed writing executed by the Parties hereto or by further order of this Court.

6. Each person who executes this Stipulation, Agreement and Order represents that he or she is duly authorized to execute this Stipulation, Agreement and Order on behalf of the

respective Parties hereto and that each such party has full knowledge and has consented to this Stipulation and Order.

7. This Stipulation, Agreement and Order may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Stipulation, Agreement and Order to present any copy, copies, or facsimiles signed by the Parties hereto to be charged.

Dated: August 26, 2008
New York, New York

By: /s/ Shai Y. Waisman
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Attorney for Rouse-Randhurst Shopping Center, LLC

SO ORDERED, this
5th day of September, 2008

/s/ Allan L. Gropper
UNITED STATES BANKRUPTCY JUDGE